

ESTHETICS INTERNATIONAL GROUP BERHAD
(Company No : 408061-P)

Unaudited Condensed Statements of Comprehensive Income
For The Nine Months Period Ended 31 December 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2014 (RM'000)	Prior Year Quarter Ended 31/12/2013 (RM'000)	Current Year To Date 31/12/2014 (RM'000)	Prior Year-To-Date 31/12/2013 (RM'000)
Revenue	36,647	37,798	109,614	109,320
Cost of sales / services	(15,404)	(15,430)	(44,138)	(44,274)
Gross profit	21,243	22,368	65,476	65,046
Other income	611	144	2,474	1,504
Other expenses	(19,697)	(17,682)	(54,922)	(51,327)
Results from operating activities	2,157	4,830	13,028	15,223
Finance costs	(48)	(32)	(110)	(43)
Interest income	393	324	1,171	1,048
Share of results after tax of equity accounted associates	(4)	80	(209)	(193)
Profit before tax	2,498	5,202	13,880	16,035
Tax expense	(488)	(419)	(2,688)	(2,732)
Profit for the financial period	2,010	4,783	11,192	13,303
Other comprehensive expenses, net of tax <i>Item that may be subsequently reclassified to profit or loss:</i>				
Foreign currency translation	1,009	(49)	902	(818)
Total comprehensive income for the period	3,019	4,734	12,094	12,485

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

Esthetics International Group Berhad (408061-P)

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ESTHETICS INTERNATIONAL GROUP BERHAD
(Company No : 408061-P)

Unaudited Condensed Consolidated Statements of Comprehensive Income
For The Nine Months Period Ended 31 December 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2014 (RM'000)	Prior Year Quarter Ended 31/12/2013 (RM'000)	Current Year To Date 31/12/2014 (RM'000)	Prior Year-To-Date 31/12/2013 (RM'000)
Profit for the period attributable to:				
Owners of the Company	2,010	4,783	11,192	13,303
Non-controlling interests	-	-	-	-
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Profit for the financial period	2,010	4,783	11,192	13,303
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Total comprehensive income attributable to:				
Owners of the Company	3,019	4,734	12,094	12,485
Non-controlling interests	-	-	-	-
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	3,019	4,734	12,094	12,485
	<hr/>	<hr/>	<hr/>	<hr/>
Earnings per share attributable to owners of the Company:				
Basic (sen)	1.09	2.59	6.05	7.20
Diluted (sen)	0.94	2.28	5.20	6.52

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

Esthetics International Group Berhad
(Company No : 408061-P)

Unaudited Condensed Consolidated Statements of Financial Position
As At 31 December 2014

	As at 31/12/2014 (Unaudited) (RM '000)	As at 31/3/2014 (Audited) (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	85,114	66,375
Intangible assets	3,534	3,552
Investment properties	1,055	1,055
Investments in associates	2,963	3,186
Deferred tax assets	984	635
	93,650	74,803
Current assets		
Inventories	24,670	22,422
Receivables, deposits and prepayments	30,549	21,579
Tax recoverable	225	70
Cash and cash equivalents	59,727	59,917
	115,171	103,988
TOTAL ASSETS	208,821	178,791
EQUITY AND LIABILITIES		
Share capital	92,750	92,459
Reserves	9,852	8,950
Retained earnings	33,678	25,261
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	136,280	126,670
NON-CONTROLLING INTERESTS	-	-
TOTAL EQUITY	136,280	126,670
Non-current liabilities		
Borrowings	10,128	-
Deferred tax liabilities	172	165
	10,300	165
Current liabilities		
Deferred revenue	26,021	23,123
Payables and accruals	27,938	21,056
Borrowings	6,774	6,085
Derivative financial liabilities	-	8
Taxation	1,508	1,684
	62,241	51,956
TOTAL LIABILITIES	72,541	52,121
TOTAL EQUITY AND LIABILITIES	208,821	178,791
Net assets per share attributable to owners of the Company (RM)	0.73	0.69

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

Esthetics International Group Berhad
(Company No : 408061-P)

Unaudited Condensed Consolidated Statements of Cash Flows
For The Nine Months Period Ended 31 December 2014

	Current Year To Date (RM '000)	Prior Year-To-Date (RM '000)
Cash flows from operating activities		
Profit before tax	13,880	16,035
<i>Adjustments for : -</i>		
Depreciation of property, plant and equipment	5,332	4,038
Amortisation of development cost	18	43
Fair value gain derivative financial instrument	(8)	-
Gain on disposal of property, plant and equipment	(78)	(18)
Interest expense	110	43
Interest income	(1,171)	(1,048)
Property, plant and equipment written off	-	82
Intangible assets written off	-	275
Inventories written off	432	795
Bad debts recovered	-	(75)
Share of results of equity accounted associates	209	194
Unrealised gain on foreign exchange	(428)	(54)
Operating profit before working capital changes	18,296	20,310
Changes in working capital		
Inventories	(2,680)	(5,481)
Receivables, deposits and prepayments	(8,528)	(2,649)
Payables and accruals	6,882	9,713
Deferred revenue	2,898	2,179
Cash generated from operating activities	16,868	24,072
Interest received	1,171	1,048
Tax paid	(3,361)	(2,854)
Net cash from operating activities	14,678	22,266
Cash flows used in investing activities		
Acquisition of property, plant and equipment	(23,408)	(23,634)
Proceeds from disposal of property, plant and equipment	78	19
Net cash used in investing activities	(23,330)	(23,615)
Cash flows from financing activities		
Proceed from issuance of ordinary shares pursuant to warrants	291	8
Interest paid	(110)	(43)
Dividends paid to owners of the Company	(2,775)	(5,544)
Drawdown of term loan	10,718	6,218
Repayment of term loan	(335)	-
Net cash from financing activities	7,789	639
Net decrease in cash and cash equivalents	(863)	(710)
Effect of exchange rate fluctuations on cash held	673	(842)
Cash and cash equivalents at beginning of financial year	59,917	62,748
Cash and cash equivalents at end of financial year	59,727	61,196
 <u>Note :</u>		
Cash and cash equivalents at end of financial year comprise:-		
Short-term money market deposits with investment management companies	40,649	40,610
Cash and cash balances	19,078	20,586
	59,727	61,196

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and the accompanying explanatory attached to the Interim Financial Statements)

Esthetics International Group Berhad
(Company No : 408061-P)

Unaudited Condensed Consolidated Statements of Changes in Equity
For The Nine Months Period Ended 31 December 2014

	<-----Non-distributable----->				Distributable Retained Earnings (RM '000)	Attributable to Owners Of The Company (RM '000)	Non-controlling Interests (RM '000)	Total Equity (RM '000)
	Share Capital (RM '000)	Share Premium (RM '000)	Warrant Reserve (RM '000)	Translation Reserve (RM '000)				
At 1 April 2014	92,459	5,581	4,626	(1,257)	25,261	126,670	-	126,670
Profit for the financial period	-	-	-	-	11,192	11,192	-	11,192
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	-	-	902	-	902	-	902
Total comprehensive income for the period	-	-	-	902	11,192	12,094	-	12,094
Transactions with owners								
Issuance of ordinary shares pursuant to warrant	291	51	(51)	-	-	291	-	291
Dividends paid	-	-	-	-	(2,775)	(2,775)	-	(2,775)
At 31 December 2014	92,750	5,632	4,575	(355)	33,678	136,280	-	136,280
At 1 April 2013	92,400	5,571	4,636	(356)	15,279	117,530	41	117,571
Profit for the financial period	-	-	-	-	13,303	13,303	-	13,303
Other comprehensive expenses, net of tax - Exchange differences on translation of the financial statements of foreign entities	-	-	-	(818)	-	(818)	-	(818)
Total comprehensive income for the period	-	-	-	(818)	13,303	12,485	-	12,485
Changes in equity interest in a subsidiary	-	-	-	-	41	41	(41)	-
Transactions with owners								
Issuance of ordinary shares pursuant to warrant	8	1	(1)	-	-	8	-	8
Dividends paid	-	-	-	-	(5,544)	(5,544)	-	(5,544)
At 31 December 2013	92,408	5,572	4,635	(1,174)	23,079	124,520	-	124,520

ESTHETICS INTERNATIONAL GROUP BERHAD (Company No: 408061-P)

Part A: Explanatory Notes Pursuant to MFRS 134

A1. **Basis of preparation and accounting policies**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014. The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements of the Group for the financial year ended 31 March 2014 except for the adoption of the following standards applicable to the Group's financial year beginning 1 April 2014:

Amendments/Improvements to MFRSs and IC Interpretation

<u>Amendments/Improvements to MFRSs</u>		Effective Date
MFRS 10	Consolidated Financial Statements	1 January 2014
MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
 <u>New IC Int</u>		
IC Int 21	Levies	1 January 2014

New, amendments/improvement to MFRSs and new IC Interpretation that are issued, but not yet effective

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
 <u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non- Current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014

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A1. Basis of preparation and accounting policies (cont'd)

MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangement	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014/1 January 2016
MFRS 119	Employee Benefits	1 July 2014/1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/1 January 2016
MFRS 140	Investment Property	1 July 2014

The adoption of the above new and revised MFRSs, amendments/improvements to MFRSs, new and amendments to IC Interpretation are not expected to have any material financial impact to the current financial year upon their initial adoption.

A2. Auditor's report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial year ended 31 March 2014 was not subject to any qualification.

A3. Seasonal or cyclical factors

The business operations of the Group are customarily affected by seasonal and festivity sales.

A4. Exceptional Items

There were no exceptional items during the quarter under review.

A5. Material changes in accounting estimates

There were no changes in estimates of amounts reported in the annual financial statements of the Group for the financial year ended 31 March 2014 that may have a material effect on the current quarter ended 31 December 2014.

A6. Issuance and / or repayment of debt and equity instruments

During the quarter under review, 511,000 Warrants were exercised which resulted in the issuance of 511,000 new ordinary shares of RM0.50 each which were thereafter listed on the Main Market of Bursa Malaysia Securities Berhad.

Subsequent to the current quarter ended 31 December 2014 and up to 23 February 2015, a total of 52,099,400 Warrants remained unexercised.

Save for the above, there were no other issuance, repurchase and/or repayment of debt and equity instruments for the current quarter ended 31 December 2014.

A7. Dividends paid

The Company paid a final single-tier dividend of 3% (1.5 sen) per ordinary share on 10 October 2014, amounting to RM2.775 million in respect of the previous financial year ended 31 March 2014, which was approved by the shareholders of the Company at the Annual General Meeting on 27 August 2014.

ESTHETICS INTERNATIONAL GROUP BERHAD (Company No: 408061-P)

A8. Segmental information

Quarter ended 31 December

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
Revenue	2014	2013	2014	2013	2014	2013	2014	2013
Total revenue	21,158	21,405	20,827	21,473	6,363	20,459	48,348	63,337
Inter-segment revenue	-	-	(5,391)	(5,149)	(6,310)	(20,390)	(11,701)	(25,539)
External revenue	21,158	21,405	15,436	16,324	53	69	36,647	37,798
Segment results	688	3,038	1,458	1,793	11	(1)	2,157	4,830
Finance costs							(48)	(32)
Interest income							393	324
Share of results of equity accounted associates							(4)	80
Profit before tax							2,498	5,202
Taxation							(488)	(419)
Profit after tax							2,010	4,783

9 months ended 31 December

	Professional services and sales		Product distribution		Others *		Total	
	RM'000		RM'000		RM'000		RM'000	
Revenue	2014	2013	2014	2013	2014	2013	2014	2013
Total revenue	62,785	62,311	62,082	63,179	9,422	23,155	134,289	148,645
Inter-segment revenue	-	-	(15,405)	(16,319)	(9,270)	(23,006)	(24,675)	(39,325)
External revenue	62,785	62,311	46,677	46,860	152	149	109,614	109,320
Segment results	5,652	5,917	6,120	9,744	1,256	(438)	13,028	15,223
Finance costs							(110)	(43)
Interest income							1,171	1,048
Share of results of equity accounted associates							(209)	(193)
Profit before tax							13,880	16,035
Taxation							(2,688)	(2,732)
Profit after tax							11,192	13,303

* Others mainly consist of investment holding, education and training.

ESTHETICS INTERNATIONAL GROUP BERHAD (Company No: 408061-P)

A9. Valuation of property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Accordingly, no valuations have been brought forward from the previous annual financial statements.

A10. Subsequent events

There were no significant events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the financial statements for the current quarter under review.

A11. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 December 2014.

A12. Changes in contingent liabilities and contingent assets

With the uplifting of corporate guarantees on banking facilities granted to subsidiaries on 4 December 2014, there were no major contingent liabilities or contingent assets as at 31 December 2014.

A13. Commitments

(a) Capital commitments

	As at 31/12/2014 RM'000	As at 31/3/2014 RM'000
Property, plant and equipment		
Approved and contracted for	3,208	16,628
Approved but not contracted for	3,462	6,822
	<u>6,670</u>	<u>23,450</u>

(b) Non-cancellable operating lease commitments in respect of certain rented premises by subsidiaries as follows:

	As at 31/12/2014 RM'000	As at 31/3/2014 RM'000
Less than one year	18,420	16,558
Between one and five years	13,999	16,104
	<u>32,419</u>	<u>32,662</u>

A14. Related party transactions

There were no material related party transactions during the current quarter ended 31 December 2014.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

Quarter ended 31 December 2014 compared with quarter ended 31 December 2013

The Group continued to operate in challenging conditions during the quarter ended 31 December 2014 ('3Q15'). Consumer sentiment remained cautious due to the upcoming implementation of the Goods and Services Tax (GST) in Malaysia and the ongoing fiscal consolidation in the region.

With the more cautious consumer sentiment, the beauty and wellness market in the Group's regions has seen heavier discounting and aggressive promotions by competitors. In addition, the Group is also operating in a context where the US Dollar has been strengthening against regional currencies such as the Malaysian ringgit.

Against this backdrop, the Group managed to record revenue of RM36.6 million and profit before tax of RM2.5 million, as compared to RM37.8 million and RM5.2 million respectively for the prior year corresponding quarter ended 31 December 2013 ('3Q14').

For the Professional Services and Sales segment, the Group strategically invested in expanding its network of Corporate Outlets and opened two new AsterSpring skincare salons in Malaysia and Singapore and one retail kiosk in Hong Kong during the current quarter to have 75 outlets as at 31 December 2014. Revenue for the current quarter was RM21.2 million, which was marginally lower by 1.2% than 3Q14 while operating profit for the segment was RM0.7 million as compared to RM3.0 million in 3Q14 due to one-off accruals associated with the implementation of GST for deferred revenue, more promotional activities, and certain new outlets still being within the incubation period.

For the Product Distribution segment (Professional Distribution and Fast Moving Consumer Goods (FMCG)), revenue for the quarter of RM15.4 million was lower by 5.4% than 3Q14, which was impacted by weaker consumer sentiment, unfavourable trading conditions in Hong Kong due to the Occupy Central movement in Hong Kong and more challenging conditions in Singapore. Operating profit of RM1.5 million for the quarter was lower by RM0.3 million as compared to 3Q14 due to more promotional activities and strategic brand-building for Clinelle, the Group's wholly-owned FMCG skincare brand.

On a geographic basis, the proportion of revenue from the regional and export business against the domestic business of the Group was 42% and 58% respectively.

9 months ended 31 December 2014 compared with 9 months ended 31 December 2013

Against the challenging trading conditions and cautious consumer sentiment noted above, the Group registered revenue of RM109.6 million for the 9 months ended 31 December 2014 ("9M15"), which was higher by 0.3% over the prior year corresponding period ("9M14"). With more promotional activities and higher inventory costs due to the strengthening of the US Dollar during the current period, the Group registered profit before tax RM13.9 million for 9M15 as compared to RM16.0 million for 9M14. The variance in the PBT result was also due to certain non-recurring foreign exchange gains totalling RM1.4 million in 9M14.

Professional Services and Sales (Corporate Outlets) recorded revenue growth of 0.8% to RM62.8 million in the current period, while profit before tax decreased by RM0.3 million to RM5.7 million due to one-off accruals associated with the implementation of GST for deferred revenue, more

ESTHETICS INTERNATIONAL GROUP BERHAD (Company No: 408061-P)

promotional activities, and certain new outlets still being within the incubation period. The Group strategically invested in expanding and upgrading its network of Corporate Outlets and opened seven new outlets and renovated and relocated another twelve outlets in 9M15, and ended the period at 31 December 2014 with 75 corporate salons and retail kiosks across Malaysia, Singapore, Hong Kong and Thailand.

Product Distribution (Professional Distribution and FMCG) recorded revenue of RM46.7 million for 9M15, which was marginally lower by 0.4% as compared to 9M14 due to the more challenging environment and lower export sales to Vietnam. However, the segment's profit before tax for 9M15 was RM6.1 million as compared to RM9.7 million for 9M14 due to non-recurring net foreign exchange gains of RM1.4 million in 9M14 against a foreign exchange loss of RM0.1 million for 9M15, as well as increased promotional activities and the impact of the stronger US Dollar in the current period.

The revenue contributed from the regional and export business against the domestic business of the Group was 41% and 59% respectively.

B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter

The Group recorded profit before tax of RM2.5 million from revenue of RM36.6 million in the current quarter, as compared to profit before tax of RM6.5 million from revenue of RM37.8 million in the preceding quarter ended 30 September 2014. The lower profit before tax is due to one-off accruals made for the implementation of GST for deferred revenue in Malaysia, more festive promotions offered during the current quarter and lower revenue result.

B3. Commentary on prospects

On 20 January 2015, 28 January 2015 and 4 February 2015, the Group announced the signing of new exclusive Distribution Agreements for the distribution of three leading international brands throughout ASEAN and Hong Kong, being Physicians Formula ("PF") cosmetics through the FMCG channel, Youngblood cosmetics through the professional channel and Evo professional hair care products through the professional channel respectively. Each of these Distribution Agreements is for a term of ten (10) years with the option to renew for a further ten (10) years. Further information on these brands and the distribution agreements can be found in the announcements made by the Group on those respective dates.

The signing of these Agreements provide the Group with the opportunity to further leverage its existing distribution network through the Professional and FMCG markets, and is in-line with EIG's strategy of securing more leading international brands for the distribution and retail of beauty, health and wellness products in ASEAN and Hong Kong.

At the same time, barring any adverse developments in local and regional market conditions, the Group will continue to focus on building the core brands and business of the Group for the long term.

B4. Profit forecast

The Group does not provide profit forecasts.

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B5. Profit before Tax

	Individual Quarter		Cumulative Quarter	
	Current	Prior	Current	Prior
	Quarter	Quarter	Year-To-	Year-To-
	Ended	Ended	Date	Date
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	1,857	1,389	5,332	4,038
Amortisation of development cost	6	6	18	43
Fair value gain on financial derivative financial instrument	(6)	-	(8)	-
Gain on disposal of property, plant and equipment	(12)	-	(78)	(18)
Property, plant and equipment written off	-	63	-	82
Intangible asset written off	-	-	-	275
Inventories written off	264	106	432	795
Bad debts recovered	-	-	-	(75)
Loss/(gain) on foreign exchange:				
- realised	34	(84)	93	(1,308)
- unrealised	(509)	(11)	(428)	(54)
Interest expense	48	32	110	43
Interest income	(393)	(324)	(1,171)	(1,048)
Rental expense	5,132	4,983	14,848	14,131
Rental income from investment properties	(18)	(18)	(54)	(54)

Saved as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

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B6. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Prior Quarter Ended	Current Year-To-Date	Prior Year-To-Date
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Current tax				
- For the financial period	534	109	3,032	2,814
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax	(46)	310	(344)	(82)
	<hr/>	<hr/>	<hr/>	<hr/>
Tax expense	488	419	2,688	2,732
	<hr/>	<hr/>	<hr/>	<hr/>

The Group's effective tax rate for the current quarter ended 31 December 2014 was lower than the Malaysian statutory income tax rate due to the utilization of deferred tax assets not recognized in prior years and income from foreign subsidiaries subjected to lower tax rates.

B7. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at 23 February 2015.

B8. Borrowings and debt securities

	As at 31/12/2014	As at 31/3/2014
	RM'000	RM'000
Short Term Borrowings		
Secured :		
Hong Kong Dollar	6,229	6,085
Singapore Dollar	545	-
	<hr/>	<hr/>
	6,774	6,085
	<hr/>	<hr/>
Long Term Borrowings:		
Secured :		
Singapore Dollar	10,128	-
	<hr/>	<hr/>
Total Borrowings	16,902	6,085
	<hr/>	<hr/>

The borrowings as at 31 December 2014 were solely for the part financing of the Group's corporate offices in Hong Kong and Singapore.

There was no unsecured debt as at end of the reporting period. Borrowings denominated in foreign currencies are stated at Ringgit Malaysia equivalent as at the reporting date.

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B9. Financial Derivative Instruments

As at 31 December 2014, there was no outstanding foreign currency forward contracts.

The Group enters into foreign currency forward contracts as appropriate to partially hedge its estimated net exposure to movements in exchange rates arising mainly from sales and purchases of inventories.

There is minimal credit risk as the foreign currency contracts are hedged with creditworthy financial institutions.

The fair value derivative gain of RM6,000 and RM8,000 for the current quarter and year-to-date respectively have been recognized in the financial statements.

B10. Changes in material litigation

There was no material litigation against the Group as at the reporting date.

B11. Realised and unrealised Profits/Losses Disclosure

	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	33,283	20,834
- unrealised	957	602
	34,240	21,436
Share of accumulated losses from associates		
- realised	(3,323)	(3,042)
	30,917	18,394
Less: Consolidation adjustments	2,761	4,685
	33,678	23,079

B12. Dividend proposed or declared

- (a) No interim dividend has been proposed or declared for the current quarter ended 31 December 2014.
- (b) The total dividend declared for the current financial period ended 31 December 2014 is 3.0% (1.5 sen per ordinary share), which was paid on 12 January 2015.

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B13. Basic and diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended	Prior Year Quarter Ended	Current Year-To-Date	Prior Year-To-Date
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Basic earnings per share				
Profit attributable to owners of the Company (RM'000)	2,010	4,783	11,192	13,303
Number of shares in issue at beginning of the financial quarter/ year ('000)	184,990	184,800	184,919	184,800
Effect of exercise of warrants ('000)	156	2	106	1
Weighted average number of ordinary shares in issue ('000)	185,146	184,802	185,025	184,801
Basic earnings per ordinary shares of RM0.50 each (sen)	1.09	2.59	6.05	7.20
Diluted earnings per share				
Profit attributable to owners of the Company (RM'000)	2,010	4,783	11,192	13,303
Weighted average number of ordinary shares in issue ('000)	185,146	184,802	185,025	184,801
Effect of dilutive potential ordinary shares – Warrants ('000)	27,904	25,245	30,291	19,212
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	213,050	210,047	215,316	204,013
Diluted earnings per ordinary shares of RM0.50 each (sen)	0.94	2.28	5.20	6.52

B14. Authorised for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 February 2015.